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*Attorneys for Defendant Federal National Mortgage Association*

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

PICATINNY FEDERAL CREDIT UNION,

Plaintiff,

v.

FEDERAL NATIONAL MORTGAGE  
ASSOCIATION

Defendant.

Case No.: 2:09-cv-01295-GEB-MCA

**AFFIDAVIT OF ALAN E. KRAUS, ESQ. IN OPPOSITION TO PICATINNY FEDERAL  
CREDIT UNION'S MOTION FOR PARTIAL SUMMARY JUDGMENT**

State of New Jersey    )  
                                      ) ss.  
County of Essex        )

I, Alan E. Kraus, swear that the following information is true and correct and is within my personal knowledge, and testify as follows:

1. I am a member of the law firm of Latham & Watkins LLP, counsel for Defendant Federal National Mortgage Association ("Fannie Mae"). I submit this Affidavit in opposition to Picatinny's Motion for Partial Summary Judgment.

2. I have reviewed the Picatinny notes sold to Fannie Mae through U.S. Mortgage Corporation ("U.S. Mortgage"). The undisputed notes were signed by or on behalf of various individuals, including Picatinny CEO William Darling (who now contends his signature

was forged, but Picatinny does not want to undo those sales); former Picatinny General Manager Stephen Lardiere; Picatinny Chief Lending Officer Daniel Mathews; Ron Carti of U.S. Mortgage; and Michael McGrath of U.S. Mortgage. Attached hereto as Exhibit A are true and correct copies of samples of Picatinny undisputed notes sold to Fannie Mae endorsed by various individuals on behalf of Picatinny.<sup>1</sup>

3. Attached hereto as Exhibit B is a true and correct copy of designated transcript pages of the February 12, 2010 deposition testimony of William Darling.

4. Attached hereto as Exhibit C are true and correct copies of email correspondence between Picatinny and CU National, LLC ("CU National") that went to email addresses associated with U.S. Mortgage.<sup>2</sup>

5. Attached hereto as Exhibit D is a true and correct copy of designated transcript pages of the April 7, 2010 deposition testimony of Stephen J. Lardiere.

6. Attached hereto as Exhibit E is a true and correct copy of a Disputed Note dated June 17, 2007. When Fannie Mae filed its summary judgment motion on December 15, 2005, Fannie Mae mistakenly believed that it did not possess the original of this note. Fannie Mae subsequently located the original, a copy of which is attached as Exhibit E. Accordingly, there are 52 Disputed Notes (as that term is defined in Fannie Mae's December 15, 2010 Memorandum Of Law In Support Of Its Motion For Summary Judgment) at issue in this case.

7. Attached hereto as Exhibit F is a true and correct copy of designated transcript pages of the March 25, 2010 deposition testimony of Alexander N. Saphos.

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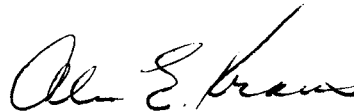
<sup>1</sup> To protect borrower confidentiality, the borrowers' full names and addresses have been redacted from notes attached as Exhibit A, and only the first page of the notes and allonges have been attached.

<sup>2</sup> The attachments referenced in the emails appended as Exhibit C have not been included because they were designated "Confidential" by Picatinny.

8. Attached hereto as Exhibit G is a true and correct copy of designated transcript pages of the May 12, 2010 deposition testimony of Barbara Cushman.

9. I have reviewed the 52 Disputed Notes that U.S. Mortgage sold to Fannie Mae on behalf of Picatinny. Each assignment of mortgage from Picatinny to U.S. Mortgage, signed by Michael McGrath as an "AVP" of Picatinny, was also delivered to Fannie Mae. In each instance, Mr. McGrath's signature was verified by a notary public, who reported that McGrath was, in fact, an AVP of Picatinny. Attached hereto as Exhibit H are true and correct copies of five (5) assignments of mortgage for Disputed Notes, assigned by Picatinny to U.S. Mortgage under Michael McGrath's notarized signature as a Picatinny "AVP." Like the five (5) assignments of mortgage for the Disputed Notes that are attached, the remaining 47 Disputed Notes also include notarized assignments of mortgage from Picatinny to U.S. Mortgage, signed by Michael McGrath as an "AVP" of Picatinny.

10. Attached hereto as Exhibit I are true and correct copies of email correspondence between Michael McGrath and Picatinny employee Claudia Ferrone, in which Michael McGrath identifies himself as an officer of both U.S. Mortgage and CU National.

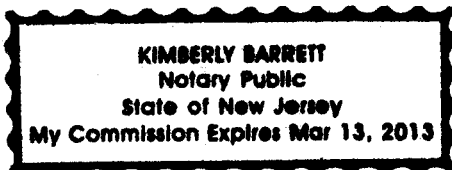


Alan E. Kraus

Sworn to me this 31<sup>st</sup>  
Day of January



Notary Public



# EXHIBIT A

ORIGINAL

## NOTE

November 14, 2002  
[Date]

[City]

New Jersey  
[State]

[Property Address]

REDACTED

## 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 70,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Picatinny Federal Credit Union, A Federal Credit Union

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

## 2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.8750%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

## 3. PAYMENTS

## (A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on January 01, 2003

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on December 01, 2017, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058

or at a different place if required by the Note Holder.

## (B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$585.98

## 4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1040L1 (0011)

(Page 1 of 3 pages)

Form 3200 1/01  
GREATLAND II

To Order Call: 1-800-530-5393 Fax: 616-791-1131

Picatinny Federal Credit Union

**ALLONGE TO PROMISSORY NOTE**

**LOAN INFORMATION**

Loan Number: CUNL01215

Borrower(s):

**REDACTED**

Address:

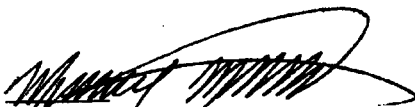
Note Amount: 70,000.00

Note Date: 11/14/2002

Pay to the order of:

U.S. MORTGAGE CORPORATION

Without Recourse

  
Name Michael McGarry

Title VP  
Picatinny Federal Credit Union

**NOTE****ORIGINAL**December 04, 2002  
[Date]

[City]

Florida  
[State]**REDACTED**

[Property Address]

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$ 34,500.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Picatinny Federal Credit Union, A Federal Credit Union**

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **5.8750%**.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS****(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **1st** day of each month beginning on **February 01, 2003**

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **January 01, 2018**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058**

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$ **288.81**

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

FLORIDA FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 99981 (1001)

(Page 1 of 3 pages)

Form 3210 1/01

GREATLAND

To Order Call: 1-800-530-9293 Fax: 616-791-1131

FNMA-USM000014650

Picatinny Federal Credit Union

ALLONGE TO PROMISSORY NOTE

**LOAN INFORMATION**

Loan Number: CUNL01254

Borrower(s):

**REDACTED**

Address:

Note Amount: 34,500.00

Note Date: 12/4/2002

Pay to the order of:

U.S. MORTGAGE CORPORATION

Without Recourse

  
Name Michael McGowan

Title *AVP*  
Picatinny Federal Credit Union

ORIGINAL

## NOTE

February 28, 2003  
[Date]

[City]

New Jersey  
[State]

[Property Address]

REDACTED

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$ 135,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Picatinny Federal Credit Union, A Federal Credit Union**

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **5.2500%**.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS****(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **1st** day of each month beginning on **April 01, 2003**

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **March 01, 2018**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058**

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$ **1,085.23**

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1848L1 (0011)

(Page 1 of 3 pages)

Form 3200 1/01

GREATLAND II

To Order Call: 1-800-530-4086 (T) Fax: 616-761-1141

CONFIDENTIAL

FNMA-USM000019324

Picatinny Federal Credit Union

ALLONGE TO PROMISSORY NOTE

LOAN INFORMATION

Loan Number: CUNL02500

Borrower(s):

REDACTED

Address:

Note Amount: 135,000.00

Note Date: 2/26/2003

Pay to the order of:

U.S. MORTGAGE CORPORATION

Without Recourse



Name STEPHEN J. LAADIERE

Title GENERAL MANAGER  
Picatinny Federal Credit Union

100 Mineral Springs Road, Dover, NJ, 07801

CONFIDENTIAL

FNMA-USM000019327

ORIGINAL

NOTE

May 20, 2003  
[Date]

[City]

New Jersey  
[State]

REDACTED

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$184,350.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Picatinny Federal Credit Union, A Federal Credit Union

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.1250%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on July 01, 2003

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on June 01, 2023, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058

or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$1,229.39

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3200 1/01

ITEM 1040L1 (0011)

(Page 1 of 3 pages)

To Order Call: 1-800-430-6085 GREATLAND is

CONFIDENTIAL

FNMA-USM000019273

Picatinny Federal Credit Union

ALLONGE TO PROMISSORY NOTE

LOAN INFORMATION

Loan Number: PR00121

Borrower(s):

REDACTED

Address:

Note Amount: 184,350.00

Note Date: 8/20/2003

Pay to the order of:

U.S. MORTGAGE CORPORATION

Without Recourse



Name STEPHEN J. LARDIERE

Title GENERAL MANAGER  
Picatinny Federal Credit Union

100 Mineral Springs Road, Dover, NJ, 07801

CONFIDENTIAL

FNMA-USM000019276

MUN 100059700002638142

NOTE ORIGINAL

September 04, 2003  
(Date)

(City)

New Jersey  
(State)

REDACTED

(Property Address)

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$102,650.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Picatinny Federal Credit Union, A Federal Credit Union

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.3750%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS**

**(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on November 01, 2003

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on October 01, 2018, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$831.94

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Female Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1848L1 (001)

(Page 1 of 3 pages)

Form 3300 1/01

GREENTLAND III  
To Order Call: 1-800-630-6393 ☐ Fax: 816-781-1129

CONFIDENTIAL

FNMA-USM000018715

Picatinny Federal Credit Union

ALLONGE TO PROMISSORY NOTE

LOAN INFORMATION

Loan Number: PR82233

Borrower(s):

REDACTED

Address:

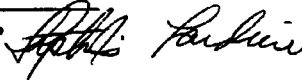
Note Amount: 102,000.00

Note Date: 04/2003

Pay to the order of:

U.S. MORTGAGE CORPORATION

Without Recourse



Name *Stephen J. Lardiere*

Title *General Manager*  
Picatinny Federal Credit Union

100 Mineral Springs Road, Dover, NJ, 07801

CONFIDENTIAL

FNMA-USM000018718

**NOTE**February 23, 2004  
[Date]

[City]

New Jersey  
[State]

[Property Address]

**REDACTED****1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$ 102,800.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Picatinny Federal Credit Union, A Federal Credit Union**

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **6.0000%**.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS****(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **1st** day of each month beginning on **April 01, 2004**

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **March 01, 2034**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058**

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$ **616.34**

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1042L1 (0011)

(Page 1 of 3 pages)

Form 3200 1/01

To Order Call: 1-800-530-8080 □ Fax: 818-791-1151

Picatinny Federal Credit Union

ALLONGE TO PROMISSORY NOTE

LOAN INFORMATION

Loan Number: 301303333

Borrower(s):

**REDACTED**

Address:

Note Amount: 102,800.00

Note Date: 2/23/2004

Pay to the order of:

U.S. MORTGAGE CORPORATION

  
Without Recourse

Daniel J. Matthews

Name

Title LOAN MANAGER

Picatinny Federal Credit Union

**ORIGINAL**

100059700002096256

**NOTE**November 09, 2006  
[Date]

[City]

New Jersey  
[State]

[Property Address]

**REDACTED****1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$ 163,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Picatinny Federal Credit Union, A Federal Credit Union**

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **6.0000%**.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS****(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **1st** day of each month beginning on **January 01, 2006**

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **December 01, 2035**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **Picatinny Federal Credit Union, P.O. Box 682, Pine Brook, NJ 07058**

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$**977.27**

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3200 1/01

ITEM 1848L1 (001)

(Page 1 of 3 pages)

To Order Call: 1-800-530-6393 C/Fax: 816-791-1131

CONFIDENTIAL

FNMA-USM000017720

**ALLONGE**

**LOAN NUMBER: 301310156**

**BORROWER (S):**

**REDACTED**

**PROPERTY ADDRESS:**

**NOTE/LOAN AMOUNT: \$ 163,000.00**

**NOTE/LOAN DATE: 11/9/2005**

***PAY TO THE ORDER OF:***

U.S. Mortgage Corporation

---

**WITHOUT RECOURSE**

**COMPANY NAME: Picatinny Federal Credit Union**

**AUTHORIZED SIGNATURE:** *Ron Carti*

**PRINTED NAME AND TITLE OF AUTHORIZED SIGNER: Ron Carti  
AVP**

**CONFIDENTIAL**

**FNMA-USM000017723**

ORIGINAL

MIN: 100059733300038472 NOTE

December 26, 2007  
[Date]

[City]

Pennsylvania  
[State]

[Property Address]

REDACTED

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$400,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Pocatoiny Federal Credit Union, A Federal Credit Union

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.7500%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS**

**(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on February 01, 2008

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on January 01, 2038, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at PO Box 682, Pine Brook, NJ 07058

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$2,334.30

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1046L1 (0809)

Form 3200 1/01  
GreatDocs™  
(Page 1 of 3)

MFCD3002

3330003847

CONFIDENTIAL

FNMA-USM000018693

**ALLONGE TO PROMISSORY NOTE**

**LOAN INFORMATION**

Loan Number: 3330003847

Borrower(s)

**REDACTED**

Property Address:

Note Amount: 400,000.00

Note Date: December 26, 2007

Pay to the order of:

U.S. MORTGAGE CORPORATION

---

Without Recourse

Picatinny Federal Credit Union

*Phil Donley*  
\_\_\_\_\_  
Name *Phil Donley*

Title *CO*

US4057

ORIGINAL

#100059733300

NOTE

38142

January 04, 2008  
[Date]

[City]

Pennsylvania  
[State]

REDACTED

[Property Address]

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$245,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is Pocatimny Federal Credit Union, A Federal Credit Union

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 6.1250 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

**3. PAYMENTS****(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 1st day of each month beginning on March 01, 2008

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on February 01, 2038, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at PO Box 682, Pine Brook, NJ 07058

or at a different place if required by the Note Holder.

**(B) Amount of Monthly Payments**

My monthly payment will be in the amount of U.S. \$1,488.65

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1644L1 (06/09)

Form 3200 1/01  
GrowthDirect™  
(Page 1 of 3)

MFCD3002

3330003814

CONFIDENTIAL

FNMA-USM000018699

**ALLONGE TO PROMISSORY NOTE**

**LOAN INFORMATION**

**Loan Number:** 3330003814

**Borrower(s)**

**REDACTED**

**Property Address:**

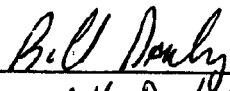
**Note Amount:** 245,000.00

**Note Date:** January 4, 2008

**Pay to the order of:**  
U.S. MORTGAGE CORPORATION

\_\_\_\_\_  
**Without Recourse**

**Picatinny Federal Credit Union**

  
\_\_\_\_\_  
**Name** *Bill Darby*

**Title** *CEO*

US4057

# EXHIBIT B

1 UNITED STATES DISTRICT COURT  
2 FOR THE DISTRICT OF NEW JERSEY  
3 HONORABLE JOSEPH A. GREENAWAY  
4 CIVIL ACTION NO. 09-01295 (JAG)

5  
6 PICATINNY FEDERAL CREDIT UNION, :

7 Plaintiff, :

8 vs. :

9 FEDERAL NATIONAL MORTGAGE :

10 CORPORATION, :

11 Defendant. :

12 -----

13

14

15 DEPOSITION OF: WILLIAM DARLING

16 FRIDAY, FEBRUARY 12, 2010

17

18

19

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1 maintaining the folder for us.

2 Q. Other than filling in for

3 Mr. Mathews when he was on vacation, did your

4 responsibility for the first mortgage

5 operation change at all during the period of

6 time when you were the servicing manager?

7 A. Can you say it again, please.

8 MR. KRAUS: Probably not. Can

9 you read it back.

10 (Whereupon, the reporter read

11 back the requested question.)

12 A. I don't recall.

13 Q. At any point in time while you

14 were the servicing manager, did you meet

15 Michael McGrath, the CEO of US Mortgage and

16 CU National?

17 A. No.

18 Q. Did you ever speak to him on the

19 telephone?

20 A. Yes.

21 Q. Approximately how many times?

22 A. I don't know.

23 Q. More than a few?

24 A. Very few.

25 Q. Less than ten?

1 A. Yes.

2 Q. Less than five?

3 A. Five or less.

4 Q. Do you remember what the reasons

5 were why you spoke to him?

6 A. Yes.

7 Q. What were the reasons?

8 A. When I arrived at the credit

9 union I was tasked to rewrite the member

10 business loan policy. In doing so I

11 recognized that we had a loan out. And when

12 I was accumulating all of the information

13 regarding the loan, I requested Michael J.

14 McGrath for updated financial statements on

15 US Mortgage to complete the loan file.

16 Q. So, did this have to do with the

17 business line of credit to CU National?

18 A. Yes.

19 Q. Did Mr. McGrath provide the

20 updated financials?

21 A. Yes.

22 Q. Were they late, as compared to

23 when they were due under the loan agreement?

24 A. No.

25 Q. Did you ask Mr. McGrath to

1 provide financial statements for CU National?

2 A. Yes.

3 Q. Did he?

4 A. Yes.

5 Q. Were they late, as compared to  
6 the obligations under the loan agreement?

7 A. No.

8 Q. Do you know if the financial  
9 statements provided by CU National showed  
10 that it met the net worth requirements of the  
11 business loan agreement?

12 MR. FORTE: Object to the form.  
13 I think it lacks foundation.

14 A. I don't recall there being any  
15 net worth requirements.

16 Q. Okay. We will show you the  
17 agreement later.

18 What else did you talk to  
19 Mr. McGrath about, if anything, other than  
20 getting these financial statements?

21 A. Requested personal financial  
22 statements and tax returns.

23 Q. Did he provide those?

24 A. Yes, he did.

25 Q. Was there anything else you

1 talked about?

2 MR. FORTE: Just so that we are  
3 clear, at any time or during this period?

4 MR. KRAUS: Well, he said that  
5 there were only five calls.

6 Q. In the five calls that you -- or  
7 less than five calls, to be more precise.  
8 Were all of those calls in the context of  
9 getting this information relating to the  
10 business loan?

11 A. Yes, they were.

12 Q. Was there anything else that you  
13 talked to him about, besides getting the  
14 financial statements for the two entities and  
15 getting the personal information you just  
16 described?

17 A. All the other items that were  
18 related to the business loan.

19 Q. Like what?

20 A. We were named as -- the credit  
21 union was to be named as a loss payee on his  
22 life insurance answer policy, and I could not  
23 find proof of that when I was gathering the  
24 information from Steve Lardiere on the member  
25 business loan, so that was something else

1 that I requested of him.

2 Q. Did he provide that?

3 A. Yes, he did.

4 Q. Anything else that you can  
5 recall?

6 A. No.

7 Q. And to the best of your  
8 recollection, those were the only times you  
9 ever spoke to Mr. McGrath?

10 A. Yes.

11 Q. Did you ever speak to any other  
12 employees of either CU National or US  
13 Mortgage?

14 A. Yes.

15 Q. To whom did you speak?

16 A. Phil Scialabba.

17 Q. How often did you talk to  
18 Mr. Scialabba?

19 A. Not often.

20 Q. More or less than ten times?

21 A. It was only when I had a problem  
22 with my members. He was my go-to person if I  
23 had a problem.

24 Q. Do you remember any specific  
25 problems that you discussed with

1 agreement with CU National that you read in  
2 2006 and again in preparation for your  
3 testimony today?

4 A. Yes, it appears to be.

5 Q. I think you testified earlier  
6 that you learned that Picatinny had  
7 previously used CUMANET as a servicer for its  
8 first mortgage loans before it entered into  
9 this agreement; is that correct?

10 A. Yes.

11 Q. And you also told me that at --  
12 during that relationship with CUMANET that  
13 CUMANET would hold original mortgage notes on  
14 behalf of Picatinny, correct?

15 A. Correct.

16 Q. And I think you told me that it  
17 was done in part because it would facilitate  
18 CUMANET's work when there was a payoff of the  
19 mortgage, correct?

20 A. Correct.

21 Q. Can you explain to me why it was  
22 necessary to allow CUMANET to hold original  
23 notes in order to facilitate payoffs, rather  
24 than simply delivering them the original  
25 notes by overnight mail?

1 MR. FORTE: Just note my  
2 objection. This witness wasn't designated to  
3 testify on that issue and wasn't even with  
4 the company at the time CUMANET was doing the  
5 servicing.

6 MR. KRAUS: Okay. Then his  
7 answer may or may not be, I don't know.

8 A. I believe it made it easier for  
9 CUMANET to -- to manage the day-to-day  
10 servicing operations for the credit union to  
11 have the original notes, so that they could  
12 return the paid notes to the borrowers when  
13 the loan was paid.

14 Q. But why couldn't they return the  
15 paid notes after getting them by overnight  
16 mail from Picatinny?

17 A. I don't know why.

18 Q. They certainly could have,  
19 couldn't they?

20 A. I don't know why. I believe it  
21 -- it was just easier for them to do it. We  
22 weren't set up to do it at the credit union  
23 and we relied on them to do it.

24 Q. Does the credit union have  
25 fireproof filing cabinets?

1 A. Yes.

2 Q. Does the credit union have a  
3 safe?

4 A. Yes.

5 Q. Why couldn't the credit union  
6 keep these notes in a fireproof cabinet  
7 inside a safe?

8 A. We didn't -- we didn't have the  
9 infrastructure set up to service --

10 Q. I am not asking about servicing.  
11 I am only asking about the possession and  
12 custody of the original notes. Would you  
13 agree with me that Picatinny at all times  
14 between 1999 and 2009 had the physical  
15 capability of maintaining the original notes  
16 in fireproof cabinets inside a safe?

17 MR. FORTE: I object to the form  
18 of the question, but you can answer it.

19 A. I don't think so.

20 Q. Why not?

21 A. I don't think we had the room for  
22 it.

23 Q. What's -- what do you mean, you  
24 didn't have the room for it?

25 A. The safe that we have in Rockaway

1 is -- and in building 30 is for maintaining  
2 currency and coin and the teller cash boxes.

3 So, there is no room there. The other  
4 fireproof safes are filled to capacity.

5 Q. And they have been filled to  
6 capacity at all times between 1999 and 2009?

7 A. To the best of my knowledge.

8 Q. How many notes are we talking  
9 about; do you know?

10 MR. FORTE: Note my objection.

11 Notes, in what context?

12 Q. Original mortgage notes. At any  
13 one time, how many original mortgage notes  
14 did Picatinny have outstanding?

15 A. How many original mortgage notes  
16 did we have outstanding?

17 Q. Right.

18 A. Mortgage notes in our portfolio?

19 Q. Right.

20 A. Over 100.

21 Q. And if they are four or five  
22 pages each, are you telling me that you never  
23 had space in a secure place to hold 500  
24 pages?

25 A. The credit union maintained in

1       A.    I don't know that that was an  
2   important fact to enter into the agreement  
3   with CU National.

4       Q.    Do you know -- do you know after  
5   the agreement was entered into whether it was  
6   important to Picatinny that US Mortgage, CU  
7   National's affiliate, had the ability to sell  
8   loans to Fannie Mae?

9       A.    I know that now.

10      Q.    And it was important, correct?

11      A.    I don't know that it was  
12   important in negotiating a contract, but I  
13   know that now.

14           MR. FORTE: He is only saying he  
15   has the knowledge of that today.

16           MR. KRAUS: I understand that,  
17   but that is not my question.

18      Q.    Let me try my question again.  
19   Today, do you know that it was at some point  
20   in time important to Picatinny that CU  
21   National's affiliate, US Mortgage, had  
22   ability to sell loans to Fannie Mae?

23      A.    Yes.

24      Q.    And would you agree that it was  
25   important?

1 A. Yes.

2 Q. And would you agree that at least  
3 as far back as 2003 it was important?

4 A. Yes.

5 MR. FORTE: I think that's been  
6 established.

7 Q. Do you know who prepared the  
8 first draft of this agreement?

9 A. I do not.

10 MR. FORTE: Just note my  
11 objection. It lacks foundation.

12 MR. KRAUS: Somebody prepared a  
13 first draft.

14 MR. FORTE: No, it could have  
15 been a final version. There could have been  
16 no drafts.

17 MR. KRAUS: Then the first draft  
18 and the final would be the same thing, Jim.

19 Q. Do you know if there was any  
20 negotiation and any changes made to any of  
21 the terms of this agreement?

22 A. Since?

23 Q. No, before it was entered into.

24 A. I do not.

25 Q. Do you know if there have been

1 A. That is correct.

2 Q. So, you are not the person who  
3 would be personally knowledgeable about what  
4 the full scope of CU National's authority to  
5 sign documents on behalf of Picatinny was;  
6 fair to say?

7 A. Correct.

8 Q. Now, to go back to page five,  
9 subparagraph F, as you understand the  
10 practice and as it was described in this  
11 agreement, CU National would handle the  
12 closing on behalf of Picatinny, correct?

13 A. Yes.

14 Q. No representative of Picatinny,  
15 other than a CU National employee, attended  
16 closings; is that correct?

17 A. Correct.

18 Q. And any documents that needed to  
19 be signed on behalf of Picatinny would be  
20 signed by someone from CU National, correct?

21 MR. FORTE: I don't know what  
22 that means.

23 MR. KRAUS: At the closing.

24 A. That is correct.

25 Q. The subparagraph ends by saying

1 Picatinny some cash flow, correct?

2 A. I don't know.

3 Q. Well, you didn't have the money

4 for however many days it was late, right?

5 A. Correct.

6 Q. And not having a million 300

7 thousand dollars for even a couple of days is

8 important to Picatinny; would you agree with

9 that?

10 A. Yes.

11 Q. So, this was a not insignificant

12 problem, in your judgment, when you became

13 aware of it; is that fair to say?

14 A. I am sorry. Say that again.

15 Q. This was a material issue to you

16 when you became aware of it?

17 A. Yes.

18 Q. Is that fair to say?

19 A. Yes.

20 Q. Do you know how borrower payments

21 were supposed to be dealt with by CU

22 National?

23 MR. FORTE: Object to the form of

24 the question, but you can answer.

25 A. How borrowers' -- how borrowers'

1 payments were handled by CU National?

2 Q. Sure. Let me see if I can make  
3 the question more precise to you. I will  
4 represent to you, and Mr. Forte can correct  
5 me if I am wrong, that the typical mortgage  
6 note issued on behalf of Picatinny through CU  
7 National would provide that the borrower is  
8 supposed to make monthly principal and  
9 interest payments by cash or by check made  
10 payable to Picatinny that would be delivered  
11 to the office address of CU National.

12 And what I want to know is what  
13 happened to the checks after they got  
14 delivered to CU National, if you know?

15 A. CU -- CU National deposited those  
16 checks into their account.

17 Q. So, even though it was a check  
18 made payable to Picatinny, CU National would  
19 endorse it on the back in the name of  
20 Picatinny?

21 A. I don't know how they would  
22 endorse the back of the check.

23 Q. Well, they couldn't endorse it in  
24 the name of CU National and get it deposited  
25 under good banking procedures; would you

1 agree with that?

2 A. I would have to see the  
3 endorsement on the back of the check. I  
4 don't know how they endorsed the back of the  
5 check.

6 Q. Are you aware of any instance  
7 where under good banking procedures an  
8 endorsement in the name of a different  
9 company that was the payee of the check would  
10 be acceptable?

11 MR. FORTE: Note my objection as  
12 to good bank procedures.

13 MR. KRAUS: Well, he has got a  
14 long career in banking.

15 MR. FORTE: What does that mean,  
16 good banking procedures?

17 A. If the endorsement is not  
18 endorsed as drawn, it is not normally  
19 accepted.

20 Q. That is all I wanted to know.  
21 So, if it is drawn to the name of Picatinny,  
22 ordinarily it would have to be endorsed in  
23 the name of Picatinny?

24 A. Correct.

25 Q. And do you know if CU National

1 was authorized to endorse such checks -- that  
2 is, borrower payment checks -- in the name of  
3 Picatinny and then deposit them into a CU  
4 National account?

5 A. I don't know.

6 MR. KRAUS: Let's mark as the  
7 next exhibit in order a set of Picatinny's  
8 Answers and Objections to Defendant's First  
9 Set of Interrogatories.

10 (Whereupon, Exhibit 9 was marked  
11 for identification.)

12 Q. I am handing you what we marked  
13 as Exhibit 9. Have you ever seen those  
14 answers and objections before?

15 A. Yes.

16 Q. When did you see them before  
17 this?

18 A. Back in June of 2009.

19 MR. FORTE: Just so the record is  
20 clear, there is also a cover letter attached,  
21 and I guess supplementing -- more than a  
22 cover letter. Two letters attached  
23 supplementing Answers to Interrogatories  
24 within P-9 -- or D-9, I should say.

25 MR. KRAUS: That is correct. It

1 is not that there is a cover letter attached,  
2 Jim. I believe there are two supplementation  
3 letters.

4 MR. FORTE: Right.

5 Q. And when you looked at a page of  
6 the Interrogatory responses to say that you  
7 have seen them at least in June -- on my  
8 birthday, by the way -- you were looking at  
9 the page where you verified the answers; is  
10 that correct?

11 A. Where I signed, yes.

12 Q. And you verified the answers  
13 under oath?

14 A. Yes.

15 Q. And your verification says in the  
16 second paragraph that you verified those  
17 answers based on your personal knowledge of  
18 some of the matters; and for those matters  
19 where you didn't have personal knowledge you  
20 believed them to be true, based upon, among  
21 other things, documents that Picatinny  
22 maintained; is that right?

23 A. Correct.

24 Q. Now let me direct your attention  
25 to the response to Interrogatory three, which

1 appears on pages four and five. Could you  
2 read that to yourself and let me know when  
3 you are done. Let me direct --

4 A. Okay.

5 Q. Does that refresh your  
6 recollection that the way that the process  
7 worked was that checks issued by its members  
8 to the order of Picatinny in payment of their  
9 first mortgage loans were endorsed by CU  
10 National in Picatinny's name?

11 A. Yes.

12 Q. And what documents -- was this  
13 something you knew as of your personal  
14 knowledge when you signed your verification  
15 to the Interrogatories?

16 MR. FORTE: Do you understand  
17 what he means by personal knowledge, because  
18 we have had this issue before?

19 THE WITNESS: I don't think so.

20 Q. Well, from -- going forward --  
21 and, in fact, even looking backward -- what I  
22 mean by personal knowledge is that something  
23 you know, based upon your own personal  
24 observation or what you learned in the  
25 ordinary course of your duties for Picatinny

1 during the period from when you joined  
2 Picatinny through February, 2009. Things  
3 that you learned only in order to prepare  
4 yourself to testify as a corporate  
5 representative would fall outside the scope  
6 of what I mean by personal knowledge. Do you  
7 understand that?

8 A. Not completely, no.

9 Q. What is it you don't understand?

10 A. Can you ask me the question  
11 again. I am sorry.

12 Q. Sure. With respect to the way in  
13 which borrower payment checks that were  
14 payable to Picatinny were dealt with by CU  
15 National.

16 A. Right.

17 Q. Was that something that you knew  
18 based upon your personal knowledge or was it  
19 something that you learned by reviewing  
20 documents or talking to others?

21 A. I learned it in talking to  
22 others.

23 Q. Who?

24 A. In talking to Bob Squillante and  
25 Jim Forte.

1 MR. FORTE: We don't want to get  
2 into that. We don't want to get into what  
3 you knew from your discussions with lawyers.  
4 That we don't want to get into.

5 Q. Did you learn it from anybody  
6 else?

7 A. I learned it from reading the  
8 agreement.

9 Q. What did you rely upon in the  
10 agreement?

11 A. I relied upon in the agreement  
12 where it -- it has loan production services  
13 and associated services.

14 Q. Can you tell me what words in the  
15 agreement you are relying upon as support for  
16 your understanding of how payments were dealt  
17 with?

18 A. I don't see it specifically, but  
19 I drew that conclusion by reading the  
20 associated program services that outlined  
21 everything that they were doing for us.

22 Q. Okay. Are you familiar with what  
23 the term negotiable instrument means?

24 A. Yes.

25 Q. What is your understanding of

1 what that term means?

2 A. A negotiable instrument is a --  
3 can be in the form of a check. It can be in  
4 the form of currency. And if it is in the  
5 form of currency, it is legal tender owned by  
6 the bearer; and if it is in the form of a  
7 check, it is normally paid to a party for  
8 whatever purpose it was intended.

9 Q. Do you understand that a  
10 promissory note is also a negotiable  
11 instrument?

12 MR. FORTE: Note my objection.  
13 That is a mischaracterization. It can be a  
14 negotiable.

15 Q. Do you understand that a mortgage  
16 note can be a negotiable instrument?

17 A. Yes.

18 Q. Do you understand that the  
19 standard form of promissory note used by  
20 Picatinny for its first mortgages was a  
21 negotiable instrument?

22 A. Yes.

23 Q. Let's go back to the checks for a  
24 second. Is it correct that your  
25 understanding was that CU National would

1 endorse the checks that were made payable to  
2 Picatinny and then deposit them into a CU  
3 National account?

4 A. It was my understanding that they  
5 would collect the payments, as any mortgage  
6 servicer would do. I think CUMANET did the  
7 same thing for us when we left CUMANET to go  
8 to CU National, and I believe CUMANET is  
9 doing that today when we left CU National.  
10 So, that is my understanding of the servicing  
11 industry and that's the way they practice.

12 Q. But that's not the question I  
13 asked you. Could you read back the question  
14 I asked you and then could you try to answer  
15 that question?

16 MR. FORTE: I think he did.

17 MR. KRAUS: Actually, not even  
18 close.

19 MR. FORTE: Well, that's your  
20 view.

21 MR. KRAUS: Listen to the  
22 question.

23 (Whereupon, the reporter read  
24 back the requested question.)

25 MR. FORTE: Referring to members'

1 checks in payment of loans?

2 MR. KRAUS: Yes. It is a simple  
3 yes-or-no question.

4 MR. FORTE: Well, there were  
5 things left out in the question.

6 MR. KRAUS: That's okay. You  
7 don't get to put them in. I get to ask the  
8 question.

9 MR. FORTE: No, you get to ask  
10 proper questions.

11 MR. KRAUS: It is a perfectly  
12 proper question. I will rephrase it because  
13 I live to make Mr. Forte happy.

14 Q. Is it correct to say that it is  
15 your understanding that members' checks in  
16 payment of their principal and interest  
17 obligations on their mortgages that were made  
18 payable to Picatinny were endorsed by CU  
19 National and then deposited into a CU  
20 National bank account?

21 A. I don't know what bank account it  
22 was deposited into, but yes.

23 Q. I understand you don't know  
24 precisely where the bank account was located,  
25 but the bank account was in the name of CU

1 National, correct?

2 A. I don't know that the bank  
3 account was in the name of CU National.

4 Q. Well, it wasn't in the name of  
5 Picatinny; is that correct?

6 A. Correct.

7 Q. And would it be consistent with  
8 your experience that in order for that to  
9 happen with a check that was made payable to  
10 Picatinny that CU National would have to  
11 endorse it on the back in the name of  
12 Picatinny and make it payable to the order of  
13 whose ever bank account it was being  
14 deposited into?

15 A. Yes.

16 Q. And if we assume for the moment  
17 that it was deposited into a CU National bank  
18 account, during the period of time that it  
19 was in a CU National bank account, it was  
20 outside of Picatinny's control, correct?

21 MR. FORTE: Wait. That is such  
22 an improper question. I mean, it all depends  
23 on where the account is maintained.

24 MR. KRAUS: Well, we have already  
25 decided it is not in a Picatinny account.

1 MR. FORTE: If it is a CU

2 National account at Picatinny.

3 MR. KRAUS: It is not. He just

4 said it wasn't.

5 MR. FORTE: I didn't hear that.

6 I am sorry.

7 MR. KRAUS: He did. He did. It

8 is not at Picatinny.

9 MR. FORTE: I am sorry. I did

10 not hear that.

11 MR. KRAUS: Then you withdraw

12 your objection?

13 MR. FORTE: If that is what the

14 witness said.

15 MR. KRAUS: Yes, he did.

16 A. You didn't ask me where the

17 account was.

18 Q. No, actually, I did.

19 A. No, you didn't.

20 MR. FORTE: No, you said it

21 didn't matter where the account was.

22 Q. You know that the account was not

23 at Picatinny, right?

24 A. Which account? I know that there

25 is an account at Picatinny.

1 Q. You know that they weren't  
2 depositing borrowers' principal and interest  
3 payment into an account at Picatinny?

4 MR. FORTE: I object to that. I  
5 think that is a complete mischaracterization.  
6 If he knows.

7 A. I don't believe so.

8 Q. Okay. So, let's assume,  
9 consistent with your belief, that the monies  
10 were being deposited into an account that was  
11 not at Picatinny and that was not in -- well,  
12 let me rephrase that.

13 It is also true that whatever  
14 account they were depositing these monthly  
15 principal and interest payments into wasn't  
16 in the name of Picatinny, wherever it was  
17 located, correct?

18 A. Correct.

19 Q. So, they are depositing all this  
20 money, more than a million dollars a month,  
21 into an account somewhere that is not under  
22 the control of Picatinny, correct?

23 A. Correct.

24 Q. Why didn't you require that they  
25 deposit it into an account at Picatinny?

1 Q. Section three entitled Secondary

2 Market Sales Services.

3 A. Okay.

4 Q. Now, you told me earlier that

5 until this litigation started you didn't

6 personally know that such sales would

7 actually be handled by CU National's

8 affiliate, US Mortgage. Do you remember that

9 testimony?

10 A. Yes.

11 Q. Do you now know that others at

12 Picatinny knew at least as far back as 2003

13 that US Mortgage was going to handle the

14 actual sales?

15 A. Yes.

16 Q. Do you know how early anybody at

17 Picatinny knew that US Mortgage would handle

18 the actual sales?

19 A. As early as the bulk sale in

20 2003. That's -- that's the timeframe that I

21 know.

22 Q. Okay. Do you know if anybody

23 knew that before 2003, before the bulk sale

24 in 2003?

25 A. I do not know that.

1 Q. Did you ask Mr. Lardiere that  
2 question?

3 A. Specifically before the bulk  
4 sale, no.

5 Q. Do you know when the first time  
6 Picatinny sold loans to the secondary market  
7 through US Mortgage was?

8 A. The specific date, no.

9 Q. Do you know that there were sales  
10 that preceded the bulk sale in August and  
11 September of 2003?

12 A. Yes.

13 Q. Did you discuss those with  
14 Mr. Lardiere?

15 A. No, I did not.

16 Q. Do you know who endorsed those  
17 notes on behalf of Picatinny?

18 A. Yes, I do.

19 Q. Who did?

20 A. Steve Lardiere.

21 Q. All of them?

22 A. There may have been one or two  
23 that was signed by Dan or myself in his  
24 absence.

25 Q. Do you know how the endorsements

1 MR. FORTE: Note my objection.

2 You asked that this morning.

3 MR. KRAUS: That is just a  
4 preamble to a question I didn't ask this  
5 morning.

6 A. Can you ask it again, please.

7 Q. Sure. Generally speaking, do you  
8 understand how the process worked when  
9 Picatinny would sell a loan to Fannie Mae  
10 through CU National or US Mortgage?

11 A. Generally, yes.

12 Q. Did CU National or US Mortgage  
13 pay money to Picatinny for loans that were  
14 going to be sold at the moment that they were  
15 instructed to sell them? Maybe that is  
16 unclear. Let me try it again. Let's try it  
17 this way.

18 As I understand the process as it  
19 was supposed to work, if Picatinny decided to  
20 sell a loan, in most instances it would  
21 provide an alonge to CU National or US  
22 Mortgage that would endorse the note over to  
23 US Mortgage, correct?

24 A. Correct.

25 Q. At the point in time when you

1 delivered that alonge, had US Mortgage paid

2 you any money?

3 A. I don't believe so.

4 Q. Whatever money you were going to

5 get from the sale of that particular note

6 would come after Fannie Mae paid US Mortgage?

7 Is that the way it normally worked?

8 A. I don't know.

9 Q. Do you know when Picatinny was

10 supposed to get paid?

11 A. Not specifically.

12 Q. You do know that you endorsed the

13 note to US Mortgage before you got any money?

14 A. Correct.

15 Q. So, at that point in time US

16 Mortgage has the ability to sell your loan,

17 but you haven't gotten any money?

18 A. Yes.

19 Q. And they in the ordinary course

20 would sell that loan to Fannie Mae and

21 eventually get paid by Fannie Mae? Is that

22 your understanding?

23 MR. FORTE: Object to the form of

24 the question. It is without foundation. But

25 you can answer.

1 A. Yes.

2 Q. And did you ever get your money  
3 before US Mortgage got its money from Fannie  
4 Mae?

5 A. I have no way of knowing that. I  
6 do not know.

7 Q. In any event, when you delivered  
8 the endorsement to US Mortgage, you were  
9 trusting upon them to eventually pay you for  
10 that note, correct?

11 A. Yes.

12 Q. But you had turned over to them  
13 the ability to sell the note to others  
14 without getting paid?

15 A. Yes, I did. Also they had over  
16 \$2 million in their accounts, though, so if I  
17 needed to offset, I could have. At any given  
18 time I had well over \$2 million in their  
19 accounts.

20 Q. Did you have any agreement with  
21 them that gave you the right to offset  
22 against those accounts?

23 A. No.

24 Q. Why did they maintain accounts  
25 with \$2 million at Picatinny?

# EXHIBIT C

**From:** Phil Scialabba [PScialabba@usmtg.com]  
**Sent:** Monday, March 05, 2007 4:32 PM  
**To:** Andrew Lowe  
**Cc:** Claudia Ferrone; Keith B. McCarthy; Dan Mathews; Jill Peterson; National Sales Team  
**Subject:** RE: Pipeline from CU National

Andrew,

Do you have a PDF version of last Wednesday's pipeline report for Picatinny (2/28)? If so, can you email it to everyone on this email. If not, can you scan the paper version of that report and then email the scan to everyone on this email. Thanks Drew.

Phil

-----Original Message-----

**From:** Dan Mathews [mailto:DMathews@picacreditunion.com]  
**Sent:** Monday, March 05, 2007 4:02 PM  
**To:** Jill Peterson; Phil Scialabba  
**Cc:** Claudia Ferrone; Keith B. McCarthy  
**Subject:** FW: Pipeline from CU National

Jill/Phil, can someone email the pipeline report as of the end of Feb as Claudia needs it for her reports. I tried to access the C.U. Nat'l website but I could not get on after I put in my username and password. Jill, not sure if you sent Keith a username and password but maybe you can and Claudia as well so they can access reports when they are available

---

**From:** Claudia Ferrone  
**Sent:** Monday, March 05, 2007 3:23 PM  
**To:** Dan Mathews  
**Subject:** RE: Pipeline from CU National

I receive faxes from CU national!

---

**From:** Dan Mathews  
**Sent:** Monday, March 05, 2007 3:22 PM  
**To:** Claudia Ferrone  
**Subject:** RE: Pipeline from CU National

I didn't get anything. Who gives this info to you each month?

---

**From:** Claudia Ferrone  
**Sent:** Monday, March 05, 2007 3:12 PM  
**To:** Dan Mathews  
**Subject:** Pipeline from CU National

Dan: Did you receive an End of month Pipeline from CU national?  
I did not and I need a Number from it for the February financial statements.  
Can you please let me know if you have this, and if not who I can get this from?  
Thanks, Claudia

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PICA0001500

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# **SEPARATOR**

**From:** Michael McGrath [mmcgrathjr@usmtg.com]  
**Sent:** Friday, March 21, 2008 12:21 PM  
**To:** Claudia Ferrone

icestona@JHCohn.com Michael@usmtg.com ghedges@usmtg.com

Michael J. McGrath Jr.  
President  
US Mortgage Corp.  
CU National Mortgage LLC  
19 D Chapin Road  
Pine Brook, NJ 07058  
973.244.7100 x 1106  
973.244.9062 fax

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# **SEPARATOR**

**From:** Michael McGrath [mmcgrathjr@usmtg.com]  
**Sent:** Friday, March 21, 2008 10:58 AM  
**To:** Claudia Ferrone  
**Cc:** Iveth Cestona; Glenn Hedges  
**Attachments:** Picatinny FCU Confirm.pdf

Claudia;

In conjunction with the certification of our year end audit we have been asked to confirm the servicing portfolio currently being serviced on behalf of Picatinny. Could you please review this documentation and execute the confirmation. If you are able to scan this document please reply to all on this email. All balances are as of 12/31/07. If you have any questions feel free to call me.

Michael J. McGrath Jr.  
President  
US Mortgage Corp.  
CU National Mortgage LLC  
19 D Chapln Road  
Pine Brook, NJ 07058  
973.244.7100 x 1106  
973.244.9062 fax

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# **SEPARATOR**

**From:** Richard Barrett [rbarrett@usmtg.com]  
**Sent:** Tuesday, June 27, 2006 12:02 PM  
**To:** Claudia Ferrone  
**Cc:** Ronald Carti  
**Subject:** CU NATIONAL LLC-WIRE-2 LOANS-6/27/06  
**Attachments:** PICATINNY-Zatorski 301310156.xls; PICATINNY-Jones 301309509.xls

<<PICATINNY-Zatorski 301310156.xls>> <<PICATINNY-Jones 301309509.xls>>

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PICA0001509

# **SEPARATOR**

**From:** Richard Barrett [rbarrett@usmtg.com]  
**Sent:** Tuesday, March 13, 2007 10:55 AM  
**To:** Claudia Ferrone  
**Cc:** Ronald Carti  
**Subject:** CU National Mortgage LLC - Wire - 3 Loans  
**Attachments:** SMURLA, M. 3330001358.xls; LLEWELLYN, R. 3330001221.xls; HOLMES, C. 3330001412.xls

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# **SEPARATOR**

**From:** Swapan Roy [sroy@usmtg.com]  
**Sent:** Tuesday, April 01, 2008 4:25 PM  
**To:** Claudia Ferrone  
**Cc:** Leroy Hayden; Keith B. McCarthy  
**Subject:** Monthend report for March 31,2008  
**Attachments:** PICATINNY FCU-MONTHEND REPORT MARCH 08.xls

Hi claudia,  
Please find the following attachment for the subject report. If you have any question, please call me at my phone  
# 973-244-7100 , ext 1450

Thank you  
Have a great day  
<<PICATINNY FCU-MONTHEND REPORT MARCH 08.xls>>

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# **SEPARATOR**

Email from Phil Scialabba 8 23 2006 RE FASB 91 Accounting.txt  
From: Phil Scialabba [PScialabba@usmtg.com]  
Sent: Wednesday, August 23, 2006 10:05 AM  
To: Leroy Hayden  
Cc: Claudia Ferrone; Dan Mathews; Bill Darling; Keith B. McCarthy; Veronica Cassidy; National Sales Team  
Subject: RE: FASB 91 Accounting

Leroy,

Can you please check this out with FICS. It sounds like this is something that, if it does exist, would exist in mortgage accountant, not in the mortgage servicer itself. I think Keith is talking about amortizing the discount points. The only problem is that the only time we put discount points into FICS is when they can be considered "tax deductible" by the Member, so that they show up on the 1098 form. Please check this out with FICS and let me know so that I can get back to Keith.

Thanks,  
Phil

-----Original Message-----

From: Keith B. McCarthy [mailto:KMccarthy@picacreditunion.com]  
Sent: Wednesday, August 23, 2006 9:57 AM  
To: Phil Scialabba  
Cc: Claudia Ferrone; Dan Mathews; Bill Darling  
Subject: FASB 91 Accounting

Phil

Does FICS have a module that does the FASB 91 amortization for fees and charges on mortgages loans. We are currently doing this manually and it is time consuming. It would be great if we could automate this. Most core service providers offer this as part of their loan systems. Could you find out. Thanks

Keith

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# EXHIBIT D

Lardiere, Stephen J. 4/7/2010 10:15:00 AM

1 UNITED STATES DISTRICT COURT  
2 DISTRICT OF NEW JERSEY  
3 CIVIL ACTION NO. 09-01295 (JAG)  
4

5 PICATINNY FEDERAL CREDIT UNION, :

6 Plaintiff, :

7 vs. :

8 FEDERAL NATIONAL MORTGAGE :

9 ASSOCIATION, :

10 Defendant. :

11

12

13 VIDEOTAPE DEPOSITION OF: STEPHEN J. LARDIERE

14 WEDNESDAY, APRIL 7, 2010

15

16

17

18

19

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1 note, it would be reasonable to expect that the  
2 practice was the same while CUMAnet was the third  
3 party vendor?

4 MR. LORELL: Objection to form; calls  
5 for speculation.

6 Q. Is that correct?

7 A. Are you asking it backwards?

8 Q. Well, what I'm asking is the  
9 following: You just told me that you didn't  
10 believe there was a change in the practice with  
11 respect to receiving a copy of the mortgage note  
12 when the third party vendor changed to CU  
13 National, right?

14 A. Right.

15 Q. And I am representing to you that  
16 when CU National was the third party vendor,  
17 Picatinny did not receive a copy of the signed  
18 mortgage note, so my question is, would it be  
19 reasonable then to conclude that the same thing  
20 was true while CUMAnet was the third party vendor?

21 A. I do not believe anything changed in  
22 that respect between the two vendors.

23 Q. If nobody from Picatinny attended the  
24 closing and if you didn't get a copy of the signed  
25 mortgage note, how did you know that the mortgage

1 note had been signed at all?

2 A. I don't know.

3 Q. While CUMAnet was your third party  
4 vendor, were they responsible for servicing the  
5 mortgage loans after they were issued?

6 A. Yes.

7 Q. Did that involve them collecting  
8 monthly principal and interest payments from the  
9 borrowers?

10 A. Yes.

11 Q. In communicating with the borrowers  
12 post-closing, did they do so in the name of  
13 Picatinny?

14 A. Yes.

15 Q. Was it your goal that the member who  
16 was the borrower on the mortgage loan would never  
17 know that they were dealing with an outside vendor  
18 rather than directly with Picatinny?

19 A. That was our intent.

20 Q. When the borrower had a phone call,  
21 you know, a question that they wanted to raise,  
22 did they call CUMAnet or did they call Picatinny?

23 A. They called a number that we -- a  
24 phone number that we provided, which rang at  
25 CUMAnet with our name on it and the CUMAnet

1 Q. Do --

2 MR. LORELL: Let him finish.

3 A. -- this section of page 5 is the  
4 agreement that they would hold the originals. It  
5 was our intent -- since we signed it, it was our  
6 intent for them to hold the originals. Should we  
7 need copies for any reason, of any document at  
8 all, any and all documents, they will provide it  
9 in a timely manner.

10 Q. Do you know what particular types of  
11 documents Picatinny received copies of?

12 A. No, I don't. I don't recall.

13 Q. At any time while you were still  
14 employed by Picatinny, did you or anybody else, to  
15 your knowledge, ever ask CU National whether they  
16 would return the originals to you?

17 A. I don't recall ever asking that.

18 Q. Did you or anyone else on behalf of  
19 Picatinny ever ask CU National if they would be  
20 willing to continue to provide services to  
21 Picatinny even if Picatinny insisted on  
22 maintaining the original notes?

23 A. I don't recall any conversation like  
24 that happening.

25 Q. So would it be fair to say that you

1 actually don't know that CU National would have  
2 refused to provide services if Picatinny wanted to  
3 keep its own originals?

4 MR. LORELL: I object to the form of  
5 the question; calls for speculation.

6 MR. KRAUS: I think that's the point.

7 Q. You don't know that, because no one  
8 ever asked; is that fair to say?

9 A. That's fair to say.

10 Q. Why didn't Picatinny demand complete  
11 copies of every single loan file, including the  
12 note?

13 A. Well, we felt -- first of all, it's a  
14 federal offense to alter them, and we have  
15 auditing firms that audit the third -- all of the  
16 third parties, but especially ones that hold  
17 member information. There's National Credit Union  
18 Administration that comes in periodically to  
19 audit, and part of the audit is the entire loan  
20 portfolio. We had external auditors who performed  
21 audits of our loan portfolio, including mortgages,  
22 first and second. We have internal -- we have a  
23 Supervisory Committee who from time to time might  
24 or might not hire an internal auditor, that's up  
25 to them, that's not hired by me, it's by them.

1 They perform these audits. We know that there's  
2 audits done periodically by the regulators that  
3 regulate the mortgage companies. So we had no  
4 reason to believe that there would be any problem  
5 with them holding the original notes. One of  
6 those regulators probably would have pointed that  
7 out if it was going to be a problem.

8 Q. But as we've already established,  
9 you're not aware of anybody who ever actually went  
10 to CU National to verify that the original notes  
11 were still there, correct?

12 A. That's correct.

13 Q. You're not aware that anybody from  
14 NCUA ever did that either, are you?

15 A. No, I only know that NCUA went there.

16 Q. So as you sit here today, you can't  
17 point to any evidence that anybody ever verified  
18 that CU National still had all of Picatinny's  
19 original notes, correct?

20 A. I can't, right. Not being there and  
21 seeing what they did, I can't say that they looked  
22 at the original notes.

23 Q. Under the procedure for -- back up.

24 While CU National was your third  
25 party vendor for your first mortgage loan

Lardiere, Stephen J. 4/7/2010 10:15:00 AM

1 MR. KRAUS: On the mortgage loans.

2 A. No, I don't believe so.

3 Q. And do you have any recollection of  
4 whether or not anybody from Picatinny ever got  
5 copies of the signed mortgage notes?

6 A. I don't recall.

7 Q. After the loan was issued and closed,  
8 the borrower would send monthly principal and  
9 interest checks, correct?

10 A. Correct.

11 Q. Actually, one check that included  
12 both?

13 A. One check. I understood what your  
14 question was.

15 Q. Those checks were sent to a lockbox  
16 maintained by CU National; is that correct?

17 A. Yes.

18 Q. Do you know what CU National did with  
19 those checks after they received them?

20 A. No.

21 Q. Those checks were made out to  
22 Picatinny, correct?

23 A. That is correct.

24 Q. Because, again, you didn't want the  
25 members to know they were dealing with any entity

Lardiere, Stephen J. 4/7/2010 10:15:00 AM

1 other than Picatinny, correct?

2 A. That's correct.

3 Q. Was CU National authorized to endorse  
4 and deposit those checks, endorsing them in the  
5 name of Picatinny?

6 MR. LORELL: Objection to form. It's  
7 a compound question.

8 MR. KRAUS: Sure. I'll rephrase it.

9 Q. Was CU National authorized to endorse  
10 those monthly checks on behalf of Picatinny?

11 A. I don't recall.

12 Q. You do know that Picatinny did not  
13 receive each and every monthly check, right?

14 A. True.

15 You mean the individual checks?

16 Q. Right.

17 A. Correct.

18 Q. You would get, every month, a lump  
19 assume payment from CU National, correct?

20 A. Not entirely true. If a member  
21 wanted to come into one of our branches and make a  
22 payment at one of our branches, we did have a way  
23 of doing that.

24 Q. Okay.

25 A. We would take that check, we would

Lardiere, Stephen J. 4/7/2010 10:15:00 AM

1 endorse it and we would tell CU National all the  
2 particulars so they would adjust their records on  
3 their end to make sure the payment was effective.

4 Those that did not come into our  
5 branch and sent the check to the P.O. box which CU  
6 National maintained, we would then get an  
7 aggregate check from -- or a check from CU  
8 National equal to the aggregate of all of those  
9 payments.

10 Q. Did CU National ever do home equity  
11 lending for Picatinny?

12 A. No.

13 Q. Did it ever do corresponding lending,  
14 as described in the agreement?

15 A. I'm not sure what you mean by  
16 corresponding lending.

17 Q. Correspondent lending is described, I  
18 think, at pages 11 and 12 of the agreement.

19 A. Can I answer it this way: The only  
20 thing they did was first mortgages. Now, if  
21 corresponding lending is part of first mortgages,  
22 then I have to be brief on what corresponding first  
23 mortgage is.

24 Q. Well, you ought to take a look at  
25 pages 11 and 12.

Lardiere, Stephen J. 4/7/2010 10:15:00 AM

1 A. The one that starts, "After the  
2 closing..."?

3 Q. No, the one that starts, "Item #2,"  
4 the second and third paragraphs.

5 A. Okay.

6 Q. And would you read those to yourself?  
7 Let me know when you're finished.

8 A. Okay, I'm finished.

9 Q. Your first mortgage department was  
10 the way in which you referred to CU National?

11 A. Yes.

12 Q. And FNMA, you were aware, is Fannie  
13 Mae?

14 A. Yes.

15 Q. This letter says, in describing loans  
16 available for sale, "We fund the loan at closing  
17 and assign the loan to our first mortgage  
18 department who, in turn, sells it to the secondary  
19 market through FNMA." And then it has a sentence  
20 about retaining the servicing.

21 In the next paragraph it starts,  
22 "After the closing, the loan documents are  
23 packaged and delivered to FNMA for processing into  
24 the secondary market. Upon acceptance from FNMA,  
25 we are sent a check for the balance of the loan,

Lardiere, Stephen J. 4/7/2010 10:15:00 AM

1 plus interest, from the date of closing and those  
2 funds are put back into our operating account."

3 And then it goes on.

4 Does that refresh your recollection  
5 that you knew that CU National was selling your  
6 loans to Fannie Mae?

7 A. It does, yes.

8 Q. Thank you.

9 How did CU National get paid when it  
10 sold your loans to the secondary market at Fannie  
11 Mae?

12 A. How did they get paid?

13 Q. Right.

14 A. I don't know. I don't know how they  
15 got paid.

16 Q. Well, if you could take a look at the  
17 agreement at page 18 and let me know if that  
18 refreshes your recollection, I would appreciate  
19 it.

20 A. Okay.

21 Q. I'm specifically referring to  
22 subparagraph f?

23 A. Oh, okay, yeah.

24 Q. Can you explain that to me?

25 A. Sure. If we instruct CU National

# EXHIBIT E

CONFIDENTIAL

**57972958****FMAD**

Lender Loan No. 26248906  
 FNMA Loan No. 4005648150  
 DDF No. 7399718  
 Borrower Name BONTE  
 Property Address

Servicer Name  
 Servicer No. 7400

REDACTED

57972958		57972958		BONTE
		57972958		
Customer Code: FMAD		Lender Loan No.		26248906
		FNMA Loan No.		4005648150
		DDF No.		7399718
		Borrower Name		BONTE
		Servicer Name		
		Servicer No.		7400



CONFIDENTIAL

Region

2

DDF0000007399718

Product Type  
 Seller Name U. S. MORTGAGE CORP.  
 Seller No. 23884-000-7  
 Contract No.- Expiration Date 347277-11/19/07  
 Batch ID 31729089  
 Payee Code 055014614  
 Lender Loan ID 3330002804  
 Servicer Name U. S. MORTGAGE CORP.  
 Servicer No. 23884-000-7  
 Address  
 Property City  
 Property State REDACTED  
 Property Zip Code  
 Original Ln Amt/Line Amt 244000.00  
 Original Note Rate 6.625  
 First Paymnt Due Aug 1, 2007  
 Loan Term 360  
 Loan P&I Amt(monthly) 1562.36  
 Submission Type/Lien Whole/First  
 Amortization Type Fixed Rate  
 Loan Type 3  
 Certification Priority 080  
 FNMA Loan No. 4005648150  
 Mortgage Type Other

## CSC FYI Comments:

Delivers notes and assignments separately. Accept endorsements from subsidiaries: Skyline Mortgage, Datek Mortgage, and DBA Lending Solutions.

## Variance:

No Variances



\* D D F 0 0 0 0 0 0 7 3 9 9 7 1 8 \*

Received: 11/13/2007  
 Printed : 11/13/2007

FNMA-USM00003036

CONFIDENTIAL

ORIGINAL

## NOTE

June 19, 2007  
[Date]

REDACTED

New Jersey  
[State]

[Property Address]

## 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$244,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Picatinny Federal Credit Union, A Federal Credit Union**

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

## 2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **6.6250%**.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

## 3. PAYMENTS

## (A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **1st** day of each month beginning on **August 01, 2007**

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **July 01, 2037**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **PO Box 682, Pine Brook, NJ 07058**

or at a different place if required by the Note Holder.

## (B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$**1,562.36**

## 4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1646L1 (0809)

Form 3200 1/01

GrantDocs™

(Page 1 of 3)

MFCD3002

3330002804

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**5. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

**6. BORROWER'S FAILURE TO PAY AS REQUIRED****(A) Late Charge for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of **Fifteen** calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be **5.0000%** of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

**(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

**(C) Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

**(D) No Waiver By Note Holder**

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(E) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

**8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

**9. WAIVERS**

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

**10. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in

MULTISTATE FIXED RATE NOTE—Single Family— Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1646L2 (0809)  
MFCD3002Form 3200 1/01  
GrantDocs™  
(Page 7 of 3)  
3330002804

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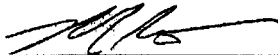
this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Borrower has executed and acknowledges receipt of pages 1 through 3 of this Note.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.



(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower


(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

PAY TO THE ORDER OF

[Sign Original Only]

WITHOUT RECOURSE  
F.S. MORTGAGE CORPORATION  
  
JOHN RUSKIN  
WAREHOUSE COORDINATOR

MULTISTATE FIXED RATE NOTE—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1648L3 (0809)  
MFCD3002

Form 3200 1/01  
GreetDocs™  
(Page 3 of 3)  
3330002804

CONFIDENTIAL

ALLONGE TO PROMISSORY NOTE

LOAN INFORMATION

Loan Number: 3330002804

Borrower(s)

REDACTED

Property Address:

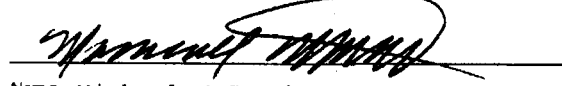
Note Amount: 244,000.00

Note Date: June 19, 2007

Pay to the order of:  
U.S. MORTGAGE CORPORATION

\_\_\_\_\_  
Without Recourse

Picatinny Federal Credit Union

  
\_\_\_\_\_  
Name Michael McGrath Jr.

Title AVP

US4057

CONFIDENTIAL

## RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording Requested By/Return To:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330002804

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

existing under the laws of **New Jersey**, a corporation organized and  
(herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058

a certain Mortgage dated **June 19, 2007**, made and executed by

**REDACTED**

to and in favor of **PICATINNY FEDERAL CREDIT UNION** and given to secure

payment of \$ **244,000.00** ) Two Hundred Forty Four Thousand  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. **8201**, at page **35** (or as

No. **00018632** ) of the Records of **SUSSEX**

County, State of **NJ**, recorded on **6/22/2007**, together with the note(s) and obligations  
therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage.

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **November 12, 2007**

Witness

PICATINNY FEDERAL CREDIT UNION

BY:

*Michael McGrath Jr.*  
Michael McGrath Jr.  
AVP

Witness

Attest

Seal:

This Instrument Prepared By: **PICATINNY FEDERAL CREDIT UNION**  
address: **100 MINERAL SPRINGS ROAD, DOVER, 07801**

STATE OF *New Jersey*, COUNTY OF *Hudson*

I CERTIFY THAT ON **November 12, 2007**, *Michael J. McGrath*  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS *AVP* OF **PICATINNY FEDERAL CREDIT UNION**

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

NOTARY

US4289

*Suzanne Maria Cavalluzzo*  
SUZANNE MARIA CAVALLUZZO  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7/22/2008

FNMA-USM00003036

CONFIDENTIAL

**RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE**

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330002804

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

existing under the laws of **New Jersey**, a corporation organized and  
(herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058

a certain Mortgage dated **June 19, 2007**, made and executed by

to and in favor of **PICATINNY FEDERAL CREDIT UNION** and given to secure

payment of \$ ( **244,000.00** ) **Two Hundred Forty Four Thousand**  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. **8201**, at page **35** (or as

No. **00018632** ) of the Records of **SUSSEX**

County, State of **NJ**, recorded on **6/22/2007**, together with the note(s) and obligations therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage.

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **November 12, 2007**

Witness

**PICATINNY FEDERAL CREDIT UNION**

BY: 

**Michael McGrath Jr.**

**AVP**

Witness

Attest

Seal:

This Instrument Prepared By: **PICATINNY FEDERAL CREDIT UNION**  
address: **100 MINERAL SPRINGS ROAD, DOVER, 07801**

STATE OF **New Jersey** COUNTY OF **Hudson**

I CERTIFY THAT ON **November 12, 2007**

PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT

(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT

AS **AVP** OF **PICATINNY FEDERAL CREDIT UNION**

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

  
NOTARY

US4289

**SUZANNE MARIA CAVANUZZO**  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7/22/2008

FNMA-USMA000030369

CONFIDENTIAL

## RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording Requested By/Return To:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330002804

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
**19D Chapin Road, Pine Brook, New Jersey 07058**  
does hereby grant, sell, assign, transfer and convey, unto

**Federal National Mortgage Association**

existing under the laws of \_\_\_\_\_, a corporation organized and  
(herein "Assignee"), whose address is

**3900 Washington Avenue NW, Washington, DC 20016**

a certain Mortgage dated **June 19, 2007**, made and executed by

**REDACTED**

to and in favor of **US Mortgage Corp.**

and given to secure

payment of \$ **244,000.00** (Two Hundred Forty Four Thousand  
(Include the Original Principal Amount and Maturity Date of Note(s))

which Mortgage is of record in Book, Volume, or Liber No. **8201**, at page **35** (or as

No. **00018632** of the \_\_\_\_\_ Records of **SUSSEX**

County, State of **NJ**, recorded on **06/22/2007**, together with the note(s) and obligations therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage.

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **November 12, 2007**

Witness

**US Mortgage Corp.**

BY: 

**John Kuskin**  
**AVP**

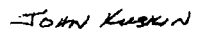
Witness

Attest

Seal:


This Instrument Prepared By:  
address: 19D Chapin Road, Pine Brook, NJ 07058

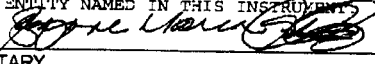
STATE OF NEW JERSEY, COUNTY OF MORRIS

I CERTIFY THAT ON **November 12, 2007**   
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT

(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT

AS  OF **US Mortgage Corp.**

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT 

NOTARY

US4290

**STANLEY MARIA CAVALLUZZO**  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7/22/2008

FNMA-USM0000303

# EXHIBIT F

1 UNITED STATES DISTRICT COURT  
2 DISTRICT OF NEW JERSEY  
3 CASE NO.: 2:09-CV-01295-JAG-MCA  
4 -----x  
5 PICATINNY FEDERAL CREDIT UNION,  
6 Plaintiff,  
7 vs.  
8 FEDERAL NATIONAL MORTGAGE ASSOCIATION,  
9 Defendant.  
10 -----x  
11 Per Protective Order, Section 9, this transcript has a  
12 temporary "Confidential" designation for a period of 15  
13 days after the deposition is received  
14 DEPOSITION OF ALEXANDER N. SAPHOS  
15 Thursday, February 25, 2010  
16 Newark, New Jersey  
17  
18  
19  
20  
21  
22 ATKINSON- BAKER, INC.  
22 COURT REPORTERS  
23 (800) 288-3376  
23 www.depo.com  
24  
25 FILE NO.: A401C39

1 your job was to increase the loan originations?

2 A. Yes, try to -- more specifically, to  
3 try to develop and expand the sales staff and  
4 territories in which they operated.

5 Q. Just so that we're talking the same  
6 language, when you're talking about sales,  
7 you're talking about getting more borrowers to  
8 borrow money from Avstar Mortgage. Correct?

9 A. Correct.

10 Q. Where were they located?

11 A. Blue Bell, Pennsylvania.

12 Q. I'm sorry. You did tell me that.

13 And how long did you stay with  
14 them for?

15 A. Two years.

16 Q. When did you leave?

17 A. I left to go back to Fannie Mae. I  
18 had gotten a phone call from Zach Oppenheimer  
19 at Fannie Mae in -- I guess it would have been  
20 March of '95, asked if he could meet with me.  
21 We met, and he told me that the sales and  
22 marketing area of Fannie Mae was being  
23 reorganized again. And as part of the  
24 reorganization, what had been the senior  
25 negotiator position and the account executive

1 position was being merged. And the way the  
2 position was being described, when he heard it,  
3 he thought of me and wanted to know if I would  
4 have interest in coming back on that  
5 position -- in that position. And I said I  
6 would have interest, and I returned in July  
7 of -- I believe it was July of '95.

8 Q. And what is that position called?

9 A. "Customer account manager."

10 Q. Is that what is referred to as "CAM"?

11 A. Yes.

12 Q. Is that the position you hold today?

13 A. It is. It's now -- they've made a  
14 little bit of a distinction. I am now a senior  
15 account manager, and the account associates are  
16 called "customer account managers." It's  
17 essentially the same position.

18 Q. Now, tell me your duties and  
19 responsibilities when you started as a CAM.

20 A. To represent Fannie Mae to lenders,  
21 to try and buy mortgage product, either for  
22 cash or through MBS, to negotiate contract  
23 agreements.

24 Q. Anything else?

25 A. That's about it.

# EXHIBIT G

1 UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

2

2:09 cv 01295 GEB

3 PICATINNY FEDERAL CREDIT UNION

Plaintiff,

4

v.

FEDERAL NATIONAL MORTGAGE

5

ASSOCIATION,

Defendants.

6

SPERRY ASSOCIATES FEDERAL

7

CREDIT UNION.

Plaintiff

2:09 cv 04782 GEB

8

vs

FEDERAL NATIONAL MORTGAGE

9

ASSOCIATION,

Defendants.

10

FEDERAL NATIONAL MORTGAGE

11

ASSOCIATION,

Plaintiff,

2:10 cv 00473 GEB

12

vs.

13

PROPONENT FEDERAL CREDIT

UNION,

14

Defendant.

15

DEPOSITION OF BARBARA CUSHMAN

WASHINGTON, DC.

16

MAY 12, 2010

17

(Per protective order section 9., this transcript has a  
temporary "Confidential" designation for a period of 15 days

18

after the deposition is received.)

19

Atkinson-Baker, Inc.

Court Reporters.

20

Telephone: 1-800-288-3376.

www.depo.com.

21

Reported By: T. S. Hubbard, Jr.

22

FILE NO. JOB# A4047DA

1 Q. Yes.

2 A. If I visibly could read it and it  
3 stood out that that is exactly what it said.

4 Q. Yes, that is what I'm asking you.

5 A. Then, yes, possibly I would have  
6 failed that.

7 Q. Not possibly. Would you or would  
8 you not?

9 A. I possibly would have failed that  
10 because I am not necessarily looking at what  
11 they have written there. I am looking for  
12 that there's a signature there and that's it.

13 Q. You would also be making sure that  
14 the note was an original, would you not?

15 A. That is correct.

16 Q. You would also want to make sure  
17 that the signatures were original signatures,  
18 correct?

19 A. That's correct.

20 Q. Tell me how you were trained to  
21 determine whether a signature was an original  
22 signature?

1 Q. No problem, but you also reviewed  
2 the allonge to make sure it was the original?

3 A. Yes.

4 Q. Would you also review the allonge  
5 to make sure that an original signature  
6 appeared on it?

7 A. Yes.

8 Q. Would you also review the allonge  
9 to make sure that the name of the person  
10 signing the allonge was typed underneath that  
11 signature?

12 A. Yes.

13 Q. Would you also review the allonge  
14 to make sure that the title of the person who  
15 signed the allonge was reflected on the  
16 document?

17 A. Yes.

18 Q. Are you aware that Fannie Mae's  
19 certification guides required that an allonge  
20 contain the authorized signature of the  
21 person signing the allonge?

22 A. Yes.

# EXHIBIT H

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330000992

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

existing under the laws of New Jersey, a corporation organized and  
(herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058

a certain Mortgage dated June 29, 2008, made and executed by

**REDACTED**

to and in favor of PICATINNY FEDERAL CREDIT UNION and given to secure

payment of \$ 385,000.00 ) Three Hundred Sixty Five Thousand  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. 00089583 ) of the Records of

County, State of , recorded on 7/11/2008, together with the note(s) and obligations  
therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on August 13, 2008

Witness

Witness

Attest

Seal:

This Instrument Prepared By: PICATINNY FEDERAL CREDIT UNION  
address: 100 MINERAL SPRINGS ROAD, DOVER, 07801

STATE OF New Jersey, COUNTY OF Hudson

I CERTIFY THAT ON August 13, 2008, Michael J. McGrath, Jr.  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS AS OF PICATINNY FEDERAL CREDIT UNION

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT

NOTARY

US4289

SUZANNE MARIA CAVALLUZZO  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7-22-2013

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330000992

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
**19D Chapin Road, Pine Brook, New Jersey 07058**  
does hereby grant, sell, assign, transfer and convey, unto

**Federal National Mortgage Association**

existing under the laws of \_\_\_\_\_, a corporation organized and  
(herein "Assignee"), whose address is

**3900 Washington Avenue NW, Washington, DC 20016**

**REDACTED**

a certain Mortgage dated **June 29, 2006**, made and executed by

to and in favor of **US Mortgage Corp.** and given to secure

payment of \$ **( 365,000.00 ) Three Hundred Sixty Five Thousand**  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. \_\_\_\_\_, at page \_\_\_\_\_ (or as

No. **00069583** ) of the \_\_\_\_\_ Records of


County, State of \_\_\_\_\_, recorded on **07/11/2006**, together with the note(s) and obligations therein  
described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **August 13, 2008**

  
Witness **LORA BRINK**

**US Mortgage Corp.**

BY:   
**KIMBERLEE COLAIACOVO**  
VICE PRESIDENT

Witness

Attest

Seal:

This Instrument Prepared By:  
address: 19D Chapin Road, Pine Brook, NJ 07058

STATE OF NEW JERSEY, COUNTY OF ~~MORRIS~~ **ESSEX**

I CERTIFY THAT ON **August 13, 2008**, **KIMBERLEE COLAIACOVO**  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON  
(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS VICE PRESIDENT OF **US Mortgage Corp.**  
(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

  
NOTARY

US4290

**DIANNA CORTES**  
NOTARY PUBLIC OF NEW JERSEY  
COMMISSION EXPIRES 04/27/2010

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording Requested By/Return To:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330001896

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

, a corporation organized and  
existing under the laws of New Jersey (herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058  
a certain Mortgage dated November 17, 2006, made and executed by

**REDACTED**

to and in favor of PICATINNY FEDERAL CREDIT UNION and given to secure

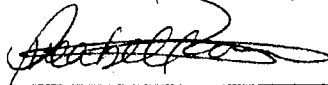
payment of ( 128,800.00 ) One Hundred Twenty Eight Thousand Eight Hundred  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. 2006112957 ) of the Records of

County, State of , recorded on 11/29/2006, together with the note(s) and obligations  
therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on August 13, 2008

  
\_\_\_\_\_  
Witness  
\_\_\_\_\_  
Witness  
\_\_\_\_\_  
Attest

PICATINNY FEDERAL CREDIT UNION

BY: 

MICHAEL J. MCGRATH, JR.

AVP

Seal:

This Instrument Prepared By: PICATINNY FEDERAL CREDIT UNION  
address: 100 MINERAL SPRINGS ROAD, DOVER, 07801

STATE OF New Jersey, COUNTY OF Morris

I CERTIFY THAT ON August 13, 2008, Michael J. McGrath, Jr.  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS AVP OF PICATINNY FEDERAL CREDIT UNION

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT

  
NOTARY

US4289

SUZANNE MARIA CAVALLUZZO  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7-22-2013

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014. PINE BROOK, NJ 07058

Loan Number: 3330001896

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
**19D Chapin Road, Pine Brook, New Jersey 07058**  
does hereby grant, sell, assign, transfer and convey, unto

**Federal National Mortgage Association**

existing under the laws of , a corporation organized and  
(herein "Assignee"), whose address is

**3900 Washington Avenue NW, Washington, DC 20016**

**REDACTED**

a certain Mortgage dated **November 17, 2006** , made and executed by

to and in favor of **US Mortgage Corp.**

and given to secure

payment of , ( **128,800.00** ) **One Hundred Twenty Eight Thousand Eight Hundred**

(Include the Original Principal Amount and Maturity Date of Note(s))

which Mortgage is of record in Book, Volume, or Liber No.

, at page

(or as

No. **2008112957**

) of the

Records of

County, State of

, recorded on

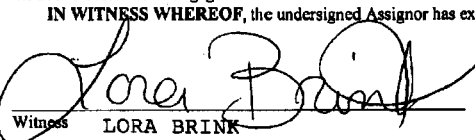
**11/29/2006**

, together with the note(s) and obligations therein

described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

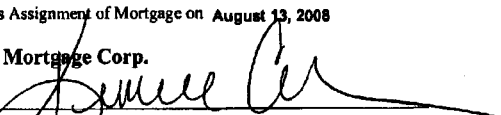
**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **August 13, 2008**

  
Witness **LORA BRINK**

**US Mortgage Corp.**

BY:

  
**KIMBERLEE COLAIACOVO**  
**VICE PRESIDENT**

Witness

Attest

Seal:

This Instrument Prepared By:

address: 19D Chapin Road, Pine Brook, NJ 07058 *Essex*

STATE OF NEW JERSEY, COUNTY OF ~~MORRIS~~

I CERTIFY THAT ON **August 13, 2008**

PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT

(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT

AS VICE PRESIDENT OF US Mortgage Corp.

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

  
NOTARY

US4290

**DIANNA CORTES**  
NOTARY PUBLIC OF NEW JERSEY  
COMMISSION EXPIRES 04/27/2010

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014. PINE BROOK, NJ 07058

Loan Number: 3330001919

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

REDACTED

existing under the laws of New Jersey, a corporation organized and  
(herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058  
a certain Mortgage dated January 9, 2007, made and executed by

to and in favor of PICATINNY FEDERAL CREDIT UNION and given to secure  
payment of , ( 141,000.00 ) One Hundred Forty One Thousand  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or ss

No. NA ) of the Records of  
County, State of , recorded on 1/15/2007 , together with the note(s) and obligations  
therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on August 13, 2008

  
\_\_\_\_\_  
Witness

PICATINNY FEDERAL CREDIT UNION  
BY: 

\_\_\_\_\_  
Witness  
\_\_\_\_\_  
Attest

MICHAEL J. MCGRATH, JR.  
AVP

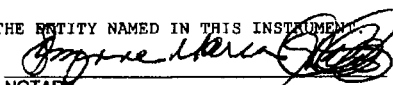
Seal:

This Instrument Prepared By: PICATINNY FEDERAL CREDIT UNION  
address: 100 MINERAL SPRINGS ROAD, DOVER, 07801

STATE OF New Jersey, COUNTY OF Morris

I CERTIFY THAT ON August 13, 2008, Michael J. McGrath  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS AVP OF PICATINNY FEDERAL CREDIT UNION

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT  
  
NOTARY

US4289

NOTARY PUBLIC OF NEW JERSEY  
SUSANNE MARLA CAMALIZZO  
COMMISSION EXPIRES 1-22-2013

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014. PINE BROOK, NJ 07058

Loan Number: 3330001919

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
**19D Chapin Road, Pine Brook, New Jersey 07058**  
does hereby grant, sell, assign, transfer and convey, unto

**Federal National Mortgage Association**

existing under the laws of , a corporation organized and  
(herein "Assignee"), whose address is

**3900 Washington Avenue NW, Washington, DC 20016**

a certain Mortgage dated **January 9, 2007** , made and executed by

**REDACTED**

to and in favor of **US Mortgage Corp.**

and given to secure

payment of , ( **141,000.00** ) **One Hundred Forty One Thousand**  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. **NA** ) of the Records of

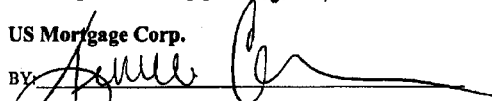
County, State of , recorded on **01/15/2007** , together with the note(s) and obligations therein  
described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **August 13, 2008**

  
Witness **LORA BRINK**

**US Mortgage Corp.**

BY   
**KIMBERLEE COLAIACOVO**  
**VICE PRESIDENT**

Witness

Attest

Seal:

This Instrument Prepared By:  
address: 19D Chapin Road, Pine Brook, NJ 07058

STATE OF NEW JERSEY, COUNTY OF MORRIS *Essex*

I CERTIFY THAT ON **August 13, 2008** . **KIMBERLEE COLAIACOVO**  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON  
(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS VICE PRESIDENT OF **US Mortgage Corp.**  
(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

  
NOTARY

US4290

**DIANNA CORTES**  
NOTARY PUBLIC OF NEW JERSEY  
COMMISSION EXPIRES 04/27/2010

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330002397

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

existing under the laws of **New Jersey**, a corporation organized and  
(herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058

a certain Mortgage dated February 28, 2007, made and executed by

REDACTED

to and in favor of **PICATINNY FEDERAL CREDIT UNION** and given to secure

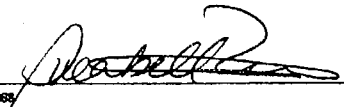
payment of , ( 156,000.00 ) One Hundred Fifty Six Thousand  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. 2007023274 ) of the Records of

County, State of , recorded on 3/ 6/2007 , together with the note(s) and obligations  
therein described and the money due and to become due thereon with interest, and all rights acc so accrue under such Mortgage

TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on August 13, 2008

Witness 

Witness

Attest

Seal:

This Instrument Prepared By: **PICATINNY FEDERAL CREDIT UNION**  
address: 100 MINERAL SPRINGS ROAD, DOVER, 07801

STATE OF New Jersey, COUNTY OF Hudson

I CERTIFY THAT ON August 13, 2008, Michael J. McGrath  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS AVP OF **PICATINNY FEDERAL CREDIT UNION**

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

NOTARY

US4289

  
SUZANNE MARIA CAVALLI  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7-22-2013

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014. PINE BROOK, NJ 07058

Loan Number: 3330002397

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
**19D Chapin Road, Pine Brook, New Jersey 07058**  
does hereby grant, sell, assign, transfer and convey, unto

**Federal National Mortgage Association**

existing under the laws of , a corporation organized and  
(herein "Assignee"), whose address is

**3900 Washington Avenue NW, Washington, DC 20016**

a certain Mortgage dated **February 28, 2007** , made and executed by

**REDACTED**

to and in favor of **US Mortgage Corp.**

and given to secure

payment of , ( **156,000.00** ) **One Hundred Fifty Six Thousand**  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. **2007023274** ) of the Records of

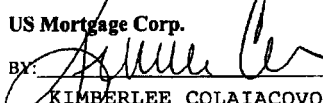
County, State of , recorded on **03/08/2007** , together with the note(s) and obligations therein  
described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **August 13, 2008**

  
Witness **LORA BRINK**

**US Mortgage Corp.**

BY:   
**KIMBERLEE COLAIACOVO**  
**VICE PRESIDENT**

Witness

Attest

Seal:

This Instrument Prepared By:  
address: 19D Chapin Road, Pine Brook, NJ 07058

STATE OF NEW JERSEY, COUNTY OF MORRIS

I CERTIFY THAT ON **August 13, 2008** , **KIMBERLEE COLAIACOVO**  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON  
(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS **VICE PRESIDENT** OF **US Mortgage Corp.**  
(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

  
NOTARY

US4290

**DIANNA CORTES**  
NOTARY PUBLIC OF NEW JERSEY  
COMMISSION EXPIRES 04/27/2010

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording RequestedBy/ReturnTo:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014, PINE BROOK, NJ 07058

Loan Number: 3330004404

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
100 MINERAL SPRINGS ROAD, DOVER, 07801  
does hereby grant, sell, assign, transfer and convey, unto US MORTGAGE CORP.

REDACTED

existing under the laws of **New Jersey**, a corporation organized and  
(herein "Assignee"), whose address is  
19D CHAPIN ROAD, PINE BROOK, NJ 07058

a certain Mortgage dated **April 22, 2008**, made and executed by

to and in favor of **PICATINNY FEDERAL CREDIT UNION** and given to secure

payment of \$ **165,050.00** ) **One Hundred Sixty Five Thousand Fifty**  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. ) of the Records of

County, State of , recorded on , together with the note(s) and obligations  
therein described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **August 13, 2008**

Witness

Witness

Attest

Seal:

This Instrument Prepared By: **PICATINNY FEDERAL CREDIT UNION**  
address: **100 MINERAL SPRINGS ROAD, DOVER, 07801**

STATE OF **New Jersey**, COUNTY OF **Hudson**

I CERTIFY THAT ON **August 13, 2008**, **Michael J. McGrath Jr.**  
PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT  
(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT  
AS **AVP** OF **PICATINNY FEDERAL CREDIT UNION**

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT

NOTARY

US4289

**SUZANNE B. A. CAMPBELL**  
NOTARY PUBLIC NEW JERSEY  
Commission Expires 7-22-2013

RPL 275- ASSIGNMENT OF MORTGAGE CLAUSE

The assignee is not acting as a nominee of the mortgagor and that the mortgage continues to secure a bona fide obligation

**Recording Requested By/Return To:** MORTGAGE DEPT  
19D CHAPIN ROAD, PO BOX 2014. PINE BROOK, NJ 07058

Loan Number: 3330004404

**ASSIGNMENT OF MORTGAGE**

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is  
**19D Chapin Road, Pine Brook, New Jersey 07058**  
does hereby grant, sell, assign, transfer and convey, unto

**Federal National Mortgage Association**

existing under the laws of

, a corporation organized and  
(herein "Assignee"), whose address is

**3900 Washington Avenue NW, Washington, DC 20016**

a certain Mortgage dated **April 22, 2008**, made and executed by

**REDACTED**

to and in favor of **US Mortgage Corp.**

and given to secure

payment of \$ **165,050.00** ) **One Hundred Sixty Five Thousand Fifty**  
(Include the Original Principal Amount and Maturity Date of Note(s))  
which Mortgage is of record in Book, Volume, or Liber No. , at page (or as

No. ) of the Records of

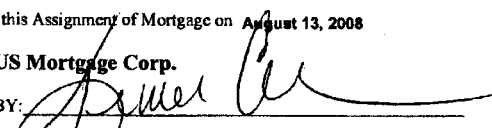
County, State of , recorded on , together with the note(s) and obligations therein  
described and the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage

**TO HAVE AND TO HOLD** the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of  
the above-described Mortgage.

**IN WITNESS WHEREOF**, the undersigned Assignor has executed this Assignment of Mortgage on **August 13, 2008**

  
Witness **LORA BRINK**

**US Mortgage Corp.**

BY:   
**KIMBERLEE COLAIACOVO**  
VICE PRESIDENT

Witness

Attest

Seal:

This Instrument Prepared By:  
address: 19D Chapin Road, Pine Brook, NJ 07058

STATE OF NEW JERSEY, COUNTY OF MORRIS

I CERTIFY THAT ON **August 13, 2008**

**KIMBERLEE COLAIACOVO**

PERSONALLY CAME BEFORE ME AND STATED TO MY SATISFACTION THAT THIS PERSON

(A) WAS THE MAKER OF THIS INSTRUMENT

(B) WAS AUTHORIZED TO AND DID EXECUTE THIS INSTRUMENT

AS **VICE PRESIDENT**

OF **US Mortgage Corp.**

(C) EXECUTED THIS INSTRUMENT AS THE ACT OF THE ENTITY NAMED IN THIS INSTRUMENT.

  
NOTARY

US4290

**DIANNA CORTES**  
NOTARY PUBLIC OF NEW JERSEY  
COMMISSION EXPIRES 04/27/2010

# EXHIBIT I

**From:** Michael McGrath [mmcgrathjr@usmtg.com]  
**Sent:** Friday, March 21, 2008 12:21 PM  
**To:** Claudia Ferrone

icestona@JHCohn.com Michael@usmtg.com ghedges@usmtg.com

Michael J. McGrath Jr.  
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**From:** Michael McGrath [mmcgrathjr@usmtg.com]  
**Sent:** Friday, March 21, 2008 10:58 AM  
**To:** Claudia Ferrone  
**Cc:** Iveth Cestona; Glenn Hedges  
**Attachments:** Picatinny FCU Confirm.pdf

Claudia;

In conjunction with the certification of our year end audit we have been asked to confirm the servicing portfolio currently being serviced on behalf of Picatinny. Could you please review this documentation and execute the confirmation. If you are able to scan this document please reply to all on this email. All balances are as of 12/31/07. If you have any questions feel free to call me.

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